

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 08493 071547Z

46

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

----- 026005

R 070400Z OCT 74

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 8485

SECDEF WASHDC

SECAF WASHDC

CSAF WASHDC

C O N F I D E N T I A L TEHRAN 8493

EXDIS/SPECAT EXCLUSIVE

FOR PARTICULAR ATTENTION OF SECRETARY MCLUCAS FROM AMBASSADOR

E.O. 11652: GDS

TAGS: ETEL

SUBJECT: MASSIVE IRANIAN TELECOMMUNICATIONS PROJECT (AKA
PEACE SCEPTER III OR PEACE SWITCH)

REF: A. TEHRAN 7968; B. TEHRAN 1629

1. AS GOI APPROACHES DECISION POINTS ON MULTI-BILLION DOLLAR PROJECT TO UPGRADE IRANIAN MILITARY AND CIVILIAN COMMUNICATIONS, WE BELIEVE IT USEFUL TO REVIEW RECENT DEVELOPMENTS AND POTENTIAL PROBLEM AREAS. TEHRAN IS CROWDED WITH VICE PRESIDENTS OF U.S. ELECTRONIC FIRMS PEDDLING SATELLITES AND OTHER COMPONENTS FOR THIS MASSIVE PROJECT. SOME LARGE FIRMS ARE OFFERING TO TAKE ON ENTIRE RPROJECT THEMSELVES. MONTHS AGO WE PROMISED IRANIAN AIR FORCE A COMPREHENSIVE BRIEFING ON OUTLINE OF USAF ROLE IN THIS PROJECT AND WE ANTICIPATE ARRIVAL OF TEAM NEXT MONTH. UNDERSTANDABLY, IIAF HAS BEEN INCREASINGLY IMPATIENT TO RECEIVE THIS BRIEFING SO THAT BASIC STUDIES ON PROJECT CAN BE INITIATED.

2. REF A REPORTED VISIT OF AT&T REPRESENTATIVE, ROBERT BRIGHT, TO TEHRAN AND INFORMATION HE CONVEYED TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEHRAN 08493 071547Z

US ON HIS INITIAL TALK WITH MINISTER OF COMMUNICATIONS

MOTAMEDI. BRIGHT HAD IMPRESSION THAT MOTAMEDI STRONGLY FAVORED AT&T PARTICIPATION IN LEADERSHIP ROLE FOR OVERALL PROJECT. MOTAMEDI WAS TO HAVE DISCUSSED PROJECT WITH PRIME MINISTER. WE DO NOT KNOW RESULTS OF THAT CONVERSATION, BUT INTEND TO FOLLOW-UP TO ASCERTAIN IRANIAN CIVILIAN VIEWS OF THIS PROJECT.

3. MEANWHILE, IIAF COMMANDER GENERAL KHATAMI HAS EXPRESSED TO ARMISH/MAAG OFFICERS HIS CONCERN FOR EARLY ARRIVAL OF USAF BRIEFING TEAM. KHATAMI INDICATED THAT HE FELT "POWERFUL FORCES WERE AT WORK WHICH MIGHT INFLUENCE UNWISE DECISIONS". KHATAMI SAID HE ADVOCATED AN FMS CASE WITH THE USAF FOR THIS PROJECT, AS WELL AS THE PEACE CROWN AIR DEFENSE PROJECT. ALTHOUGH WE HAVE NO FIRM EVIDENCE, IT SEEMS CLEAR TO US THAT KHATAMI HAS LEARNED OF THE AT&T CONVERSATIONS WITH MOTAMEDI AND FEARS THAT A US-IRANIAN CIVILIAN COMBINATION MIGHT REDUCE HIS ROLE AS DESIGNATED AGENT FOR THE TOTAL MILITARY-CIVILIAN PROJECT. WHEN GENERAL JONES ASSURED KHATAMI IN A PERSONAL MESSAGE THAT THE USAF BRIEFING WAS BEING PREPARED, KHATAMI GAVE THE IMPRESSION THAT HE WOULD USE USAF INTEREST IN THE PROJECT TO HELP DELAY DECISIONS BY OTHER SOURCES, I.E., PTT.

4. USG HAS TWO BASIC OBJECTIVES IN THIS UNDERTAKING. FIRST, WE WOULD LIKE TO SEE US MANAGEMENT OF PROJECT ENHANCE OUR OVERALL RELATIONSHIP WITH IRAN RATHER THAN CREATE AN EVENTUAL DAMAGING BACKLASH OWING TO USG INABILITY TO PERFORM IN A SATISFACTORY MANNER. SECONDLY, WE WANT TO SEE AS MUCH OF PROJECT WORK AS POSSIBLE BE ASSIGNED US CONTRACTORS AND SUPPLIERS.

5. WITH THOSE BASIC OBJECTIVES IN MIND WE NEED TO ASSURE THAT:

A. US GOVERNMENT OR PRIVATE FIRMS, WHICH MAY BE ASSIGNED KEY MANAGEMENT ROLE, SHOULD BE QUALIFIED TO PERFORM AND WILL BE COMPLETELY ACCEPTABLE TO THE GOI. SOME DOUBT HAS BEEN EXPRESSED IN THE PAST AS TO THE CAPABILITY OF THE USA IN THIS REGARD, AS WELL AS THE APPROPRIATENESS OF A MILITARY ORGANIZATION TAKING ON A CIVILIAN PROJECT. ON THE OTHER HAND, USAF IS EMINENTLY CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEHRAN 08493 071547Z

ACCEPTABLE TO THE IIAF, WHICH HAS BEEN GIVEN AND MAY RETAIN EXECUTIVE MANAGEMENT OF THE ENTIRE PROJECT. AT&T, WHICH OBVIOUSLY HAS BEST CREDENTIALS FOR PROJECT, MIGHT EXPERIENCE SOME DIFFICULTY IN DIRECT DEALINGS WITH IRANIAN MILITARY.

B. AMERICAN OFFICIAL PERSONNEL SHOULD STAY OUT OF ANY INTERNAL IRANIAN STRUGGLE THAT MAY DEVELOP OVER THIS

PROJECT. WE ARE SIMPLY ASKING FOR TROUBLE IF WE TRY TO INTERVENE ON BEHALF OF EITHER THE IRANIAN MILITARY OR CIVILIAN MINISTRIES. WE COULD APPROPRIATELY DEVELOP OPTIONS, BUT THE DECISIONS SHOULD BE MADE BY IRANIANS THEMSELVES.

C. USG SHOULD SHOW AS MUCH FLEXIBILITY AS POSSIBLE IN PROPOSING OPTIONS FOR THIS PROJECT TO THE GOI. FOR EXAMPLE, IT MIGHT BE WELL TO SUGGEST SOME FORM OF JOINT US MANAGEMENT EFFORT INVOLVING USAF AND AT&T WE WOULD NOT WANT TO SEE AN ENTITY AS COMPETENT AS AT&T LEFT ENTIRELY OUT OF THIS PROJECT.

6. WHEN I RAISED THIS SUBJECT WITH HE SHAH BRIEFLY LATE LAST YEAR (REF B) HE INDICATED NO FIRM DECISIONS HAD BEEN TAKEN AND A READINESS TO LISTEN TO US THINKING ON THIS SUBJECT. HE SHOWED THE SAME KIND OF FLEXIBILITY DURING AN AUDIENCE WITH SECRETARY OF AIR FORCE MCLUCAS ON OCTOBER 6. HE HAS NOT DECIDED FINALLY THAT THE ENTIRE PROJECT SHOULD BE HANDLED BY THE IIAF, ESPECIALLY IN PEACETIME. IN WARTIME, HOWEVER, IT WOULD BE NECESSARY TO BRING PROJECT UNDER CONTROL OF MILITARY. THE SHAH SAID HE SAW A DECIDED ADVANTAGE IN HAVING A SINGLE MANAGER TO ELIMINATE DUPLICATION OF EQUIPMENT AND EFFORT AS WELL AS UNNECESSARILY TYING UP NEEDED TECHNICAL PERSONNEL. HE EMPHASIZED THAT THE PROJECT WAS CRITICAL AND SHOULD BE STARTED VERY SOON. HE FELT THAT SATELLITE COMMUNICATIONS WERE AN ABSOLUTE MUST FOR HIS COUNTRY. THE SHAH GAVE THE IMPRESSION THAT HE DID NOT HAVE A PROBLEM WITH PTT OR AT&T INVOLVEMENT WITH PEACE SCEPTER. ON THE OTHER HAND, HE EXPRESSED THE HOPE THAT THE USG, EITHER CIVILIAN OR MILITAR, WOULD TAKE A HAND IN THE OVERALL MANAGEMENT OF THE PROJECT. THE SHAH SEEMED TO

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 TEHRAN 08493 071547Z

BE CONCERNED THAT A PRIVATE FIRM MIGHT GOUGE ON ITS CHARGES TO THE GOI. WE DOUBT THAT AT&T WITH ITS HIGH REPUTATION, WOULD BE CONSIDERED IN THE SAME LIGHT AS OTHER US SUPPLIERS OF COMMUNICATIONS HARDWARE.

7. AS APPROPRIATE, WE NEED TO BE KEPT INFORMED OF PLANNING FOR THIS PROJECT IN WASHINGTON. THIS IS ONE UNDERTAKING WHICH, IF NOT HANDLED PROPERLY, COULD SOUR PRESENT EXCELLENT USAF-IIAF RELATIONS AND ARRANGEMENTS.

HELMS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TELECOMMUNICATION, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 07 OCT 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TEHRAN08493
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740284-0046
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741066/aaaacedc.tel
Line Count: 164
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: A. TEHRAN 7968; B. TEHRAN 1629
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 19 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 AUG 2002 by izenbei0>; APPROVED <06 MAR 2003 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MASSIVE IRANIAN TELECOMMUNICATIONS PROJECT (AKA PEACE SCEPTER III OR PEACE SWITCH)
TAGS: ETEL
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005